

FISCAL NOTE

Bill #: SB0332

Title: Prohibit government competing with private sector for telecommunications service

Primary Sponsor: Pete Ekegren

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$120,000	\$120,000
State Special Revenue	51,000	51,000
Federal Special Revenue	114,000	114,000
University Auxiliary	(285,000)	(285,000)
TOTAL	\$0	\$0
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	(\$120,000)	(\$120,000)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. The major impact of this bill involves long-distance service provided by the Department of Administration (DofA) to university students in dorms. Since students call primarily in the evening, they make efficient use of the state leased lines. A critical, unresolved issue remains: are students living in the

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dorms considered the “public?” If not, then the bill has less impact. If yes, then the impact is as shown above.

2. If the bill concludes that students can no longer use the state’s phone lines, then the DofA would have to shift the fixed cost in leased lines from the students to other state agencies. It is estimated that state agencies would pay an additional \$.014 per minute in long-distance charges.
3. The DofA has estimated the total amount to be shifted is \$285,000 per year.
4. The DofA is currently meeting with the National Guard to coordinate their intended use of interactive video, and thereby maximize the state’s interactive video services (MetNet). This may be implemented in the 2000-2001 biennium, but no impact of this system is included due to the uncertainty of the scope of the project at this time.
5. It should be noted that offsetting revenues to these expenditures have not been shown to clarify the essential impact of the bill.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference:</u>
<u>Funding:</u>		
General Fund (01)	\$120,000	\$120,000
State Special Revenue (02)	51,000	51,000
Federal Special Revenue (03)	114,000	114,000
University Auxiliary	<u>(285,000)</u>	<u>(285,000)</u>
TOTAL	\$0	\$0

Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	(\$120,000)	(\$120,000)
State Special Revenue (02)	(51,000)	(51,000)
Federal Special Revenue (03)	(114,000)	(114,000)
University Auxiliary	285,000	285,000

LONG-RANGE IMPACTS:

The rates ISD charges to state agencies for voice services would be increased and the National Guard interactive video expansion could be affected.